

SENATE BILL REPORT

SB 5569

As Reported by Senate Committee On:
Higher Education & Workforce Development, February 16, 2011
Ways & Means, February 25, 2011

Title: An act relating to postretirement employment at institutions of higher education.

Brief Description: Addressing postretirement employment at institutions of higher education.

Sponsors: Senator Honeyford.

Brief History:

Committee Activity: Higher Education & Workforce Development: 2/11/11, 2/16/11 [DP-WM, w/oRec].
Ways & Means: 2/22/11, 2/25/11 [DP, w/oRec].

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Majority Report: Do pass and be referred to Committee on Ways & Means.
Signed by Senators Tom, Chair; Shin, Vice Chair; Erickson, Kastama, Kilmer and White.

Minority Report: That it be referred without recommendation.
Signed by Senator Becker.

Staff: Katherine Taylor (786-7434)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.
Signed by Senators Murray, Chair; Kilmer, Vice Chair, Capital Budget Chair; Zarelli, Ranking Minority Member; Baxter, Brown, Conway, Hatfield, Hewitt, Holmquist Newbry, Honeyford, Kastama, Keiser, Kohl-Welles, Pflug, Pridemore, Rockefeller, Schoesler and Tom.

Minority Report: That it be referred without recommendation.
Signed by Senator Baumgartner.

Staff: Erik Sund (786-7454)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background: Any retired teacher or administrator who is a member of Plan 1 of the Teachers' Retirement System (TRS 1) who reenters service in any public educational institution in Washington State at least one calendar month after his or her accrual date, stops receiving pension payments while engaged in the service after rendering service for more than 867 hours in a school year. Any retired TRS 1 member who reenters service in any public educational institution in Washington State one and one-half calendar months or more after his or her accrual date and:

- is hired pursuant to a written policy into a position for which the school board has documented a justifiable need to hire a retiree;
- is hired through the established process for the position with the approval of the school board or other highest decision-making authority;
- whose employer retains records of the procedures followed and the decisions made in hiring the retired teacher or retired administrator and provides those records in the event of an audit; and
- the employee has not already rendered a cumulative total of more than 1900 hours of service while in receipt of pension payments beyond an annual threshold of 867 hours;
- stops receiving pension payments while engaged in that service after the retiree has rendered service for more than 1500 hours in a school year.

When a retired teacher or administrator renders service beyond 867 hours, the Department of Retirement Systems collects the applicable employer retirement contributions for the entire duration of the member's employment during that fiscal year.

Summary of Bill: The postretirement employment provisions of Plan 1 of the Teachers Retirement System (TRS 1) apply when a retired member enters service with either an institution of higher education in an instructional capacity or any school or educational service district. Postretirement employment of a non-instructional position in an institution of higher education is not restricted.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony (Higher Education & Workforce Development):

PRO: This bill is brought to correct an unintentional consequence. Employees who are not rehired in an instructional capacity at an educational institution should be subject to the same rules as other state employees rather than those intended to apply to faculty and teachers.

Persons Testifying (Higher Education & Workforce Development): PRO: Senator Honeyford, prime sponsor.

Staff Summary of Public Testimony (Ways & Means): None.

Persons Testifying (Ways & Means): No one.